

**Post-Audit Review 23-03:
City of Chattanooga
Recruitment and Hiring Process**

July 2024

City Auditor
Stan Sewell, CPA, CGFM, CFE

Senior Auditor
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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

July 11, 2024

To: Mayor Kelly
City Councilmembers

RE: Post-Audit Review of Recruitment and Hiring Process (Report #23-03)

Dear Mayor Kelly and City Councilmembers:

Attached is a summary report on the status of recommendations from our 2024 Recruitment and Hiring Process audit report. The purpose of this report is to confirm whether, and to what extent, management implemented the recommendations from the original audit.

The original audit concluded that the City's recruitment and hiring process complied with applicable Federal and State requirements during the audit period. However, we identified key opportunities to improve workforce equity and internal control effectiveness.

To address the opportunities for improvement, we recommended the Human Resource (HR) Department update existing procedures, implement additional controls to minimize risks associated with recruiting and hiring, and remove potential barriers to workforce equity and development pathways.

The audit resulted in seven (7) recommendations to improve the efficiency and effectiveness of the City's recruitment and hiring process and address potential internal control deficiencies. At the time of this Post-Audit Review, three (3) recommendations were implemented and four (4) recommendations were not implemented. Recommendations not implemented are reported herein to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of supporting documentation. It was substantially less in scope than an audit performed in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: **Audit Committee Members**
 Jermaine Freeman, Chief of Staff
 Mande Green, Chief Operating Officer
 Julia Bursch, Deputy Chief Operating Officer
 Daniel Harrigan, Chief Human Resource Officer
 Shea Jefferson, CPD Director Organizational Development Training
 Jim Arnette, TN Local Government Audit

RECOMMENDATIONS FULLY IMPLEMENTED (3)

Recommendation	Actions Taken
1 We recommended HR revise the Recruitment Procedures Manual to update changes to the recruitment and hiring process since the last revision.	HR updated standard operating procedures for recruiting and hiring, including changes to operational controls and staff responsibilities.
3 We recommended HR work with the City departments to develop appropriate guidelines and standardized criteria for evaluating educational equivalency for minimum qualifications. Additionally, if the position does not fall within the category of jobs that unconditionally requires a college degree, we recommended the job description state that a degree may be preferred, but is not required.	HR added an Educational Equivalency Matrix for evaluating educational equivalency for minimum qualifications to its standard operating procedures. The minimum educational requirements are included in the job description.
7 We recommended HR establish a formal policy identifying the information required to be retained in recruitment files, and a checklist to ensure required documents are maintained consistently for the duration of employment plus seven (7) years in accordance with the City's Records Retention Schedule.	HR disagreed with our recommendation to develop a formal policy identifying the information required to be in the recruitment files. However, HR designed a new system to manage recruitment information electronically using Team Folders. We reviewed HR's Recruiting Guide, which establishes appropriate guidelines for managing information in Team Folders, and determined the process adequately ensures consistent information management and compliance with the City's Records Retention Schedule.

RECOMMENDATIONS NOT IMPLEMENTED (4)

Recommendation	Actions Taken
2 We recommended HR and the CPD comply with the EIG by reestablishing HR's role in the CPD recruitment and hiring process, or request authorization from City Council to revise the EIG to allow the CPD to administer its own recruiting and hiring functions.	Proposed revisions to the EIG designed to allow CPD to administer its own recruiting and hiring functions are currently in draft form and will be submitted to City Council for consideration at a future time.

Recommendation**Actions Taken**

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| 4 We recommended HR develop a formal policy and procedures for determining when/if applicants with adverse background checks or criminal histories are eligible for employment, consistent with EEOC recommendations. | Formal criteria for determining when/if applicants with adverse background checks or criminal histories are eligible for employment are currently in draft form and will be submitted to City Council for consideration at a future time. |
| 5 We recommended HR remove barriers to workforce equity and development pathways by eliminating internal-only job postings. | No action taken. HR disagreed with our recommendation to eliminate internal-only job postings. |
| 6 We recommended HR establish a checklist for personnel files to ensure all necessary documents are maintained consistently for the duration of employment plus seven (7) years in accordance with the City's Records Retention Schedule. | No action taken. HR disagreed with our recommendation to develop a checklist for personnel files to ensure file documentation is maintained consistently. |

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